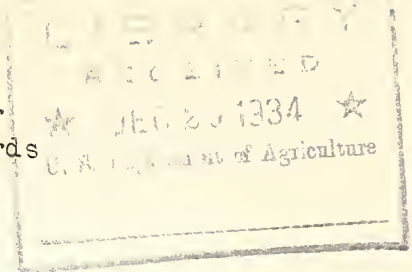


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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Alfred D. Stedman, Assistant Administrator
Director, Division of Information and Records
Washington, D. C.



No. 56

December 8, 1934

TO FARM JOURNAL EDITORS:

The following information is for your use.

DeWitt C. Wing and Francis A. Flood,
Specialists in Information.

POINTS ON AGRICULTURAL ADJUSTMENT

In the course of an address before the American Vocational Association in Pittsburgh, Pa., December 6, Assistant Secretary of Agriculture M. L. Wilson said:

"As to the future of agricultural adjustment in the United States, I do not believe that farmers will want to give it up. I believe that it is likely to develop, through maturing processes, methods which will give even more vigorous expression to the democratic principle. There are a number of other changes I think likely to occur.

"In the first place, I believe that adjustment will become more flexible, looking towards the time when the machinery may be employed for increased as well as decreased production, for making more certain of the balance on which greater security for agriculture will naturally rest.

"Secondly, the adjustment machinery is likely to be refined to remove individual inequalities and injustices which were inevitable with the speed with which it was put in operation to meet a grave emergency situation.

"Third, the adjustment program will develop greater consistency with the way in which nature laid out the different farming areas of the United States. For instance, a farmer in Illinois recently suggested to me that it would be desirable, and on the basis of facts discovered through experience and scientific investigation, to encourage farmers to limit their plantings of corn to no more than 60 percent of the acreage of a farm, in order to make possible employment of crop rotation and to keep the soil at its best producing level. He believed that crop rotation and the planting of legumes would be stimulated in this way. Other farming areas where certain crops have dominance might, through a decision of farmers in the cropping area, employ some similar principle. Certainly it might be employed to prevent a repetition

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of the soil-damaging practices which ruined many cotton and tobacco growing sections of the South many years ago.

"Fourth, I believe the adjustment program will develop a great deal of flexibility from year to year to make it more fully responsive to new factors brought forward by nature from year to year. The drought is a good instance of a force which requires flexibility in order to change the direction of production in some commodities.

"Fifth, there is a likelihood of the development of a process in association with agricultural adjustment of tending to stimulate the shifting of production from the poorer and more inefficient lands to better lands, both on individual farms and by region.

"Sixth, the adjustment program is likely to develop more fully the possibilities of marketing agreements. We need to be open-minded on the subject of marketing agreements. They have been limited so far largely to commodities produced in limited areas. They present a new field. Perhaps they can be more widely applied in the future.

"Seventh, there is the possibility of enlarging the crop insurance features of the Act with a view to making more certain of at least a minimum amount of purchasing power for farmers. The development of this program will have to be handled carefully and should be localized as far as possible.

"Eighth, I believe that there will be more experiments looking towards the development of new industrial crops to be raised on contracted acres or as substitutes for contracted acres. The Department of Agriculture is making every effort to increase the industrial uses of farm products. There are undoubtedly many fields here which remain to be discovered.

"Ninth, there is a strong possibility that through experience there will be developed greater decentralization of administration of the adjustment program. Perhaps there are things now being done in Washington that could best be done by the county control associations."

#

DROUGHT CATTLE MOVEMENT PLAN AND RESUMED PURCHASING ANNOUNCED

A new plan for the movement of cattle from drought states to areas where surpluses of feeds are available has been announced by the Agricultural Adjustment Administration. The plan is designed to assist producers in the western cattle country to dispose of cattle which they cannot feed during the winter to farmers in other regions who have a surplus of feed and wish to purchase or feed cattle. The government will not buy or sell cattle under this plan but will act merely as a clearing house of information to bring cattlemen and holders of feed together.

How many cattle will be moved under the new plan announced, it is difficult to forecast. It is believed that it may be possible to move a substantial number out of the drought area.

Simultaneously with announcement of the new plan, officials of the Adjustment Administration stated that the total allotment of federal money to be spent in drought cattle purchases in western states had been definitely fixed at \$115,822,000, including purchases certified through November 27, which amount to \$98,351,600, covering 7,319,800 head. It is estimated that the total allotment will provide for the purchase of 8,522,300 cattle, leaving something more than 1,200,000 head to be bought in areas where the feed situation is most acute.

State and county directors have been advised to use the utmost care in selecting cattle and to make purchases only in counties where the situation is most acute and the livestock owners are in the most dire distress.

The purpose of the new plan is to lessen the burden of feeding the cattle in states where feed is scarce and, at the same time, to prevent too great a reduction in the cattle population of the country.

An official estimate of the cattle outlook says: "If weather and crop conditions in 1935 are fairly normal, there will be a strong demand for breeding stock next year." It is to preserve sufficient breeding stock to maintain the requisite cattle population that the new plan has been devised.

A clearing house has been set up at Kansas City to handle requests from buyers and sellers of cattle. Many inquiries already have been received, and there likewise are listed many farmers with surplus feed on hand who are interested in taking over winter feeding of cattle on contract.

State extension officials and county agents in states where feed supplies are sufficient are notifying farmers in their respective territories of the plan, and will forward inquiries to the Kansas City clearing house. Information regarding producers who wish to sell cattle or ship them for contract feeding is being assembled through relief and extension officials in the drought areas.

Amounts expended to November 27 in the drought states for government cattle purchases are: Arizona, \$1,174,613; Arkansas, \$1,108,974; California, \$303,103; Colorado, \$3,319,832; Idaho, \$394,660; Illinois, \$42,568; Iowa, \$265,452; Kansas, \$7,059,010; Louisiana, \$312,388; Minnesota, \$3,526,897; Missouri, \$6,974,910; Montana, \$4,721,140; Nebraska, \$6,232,287; Nevada, \$530,220; New Mexico, \$5,931,356; North Dakota, \$13,120,497; Oklahoma, \$5,061,247; Oregon, \$177,673; South Dakota, \$12,495,504; Texas, \$19,148,190; Utah, \$1,431,066; Wisconsin, \$864,610; Wyoming, \$3,931,243.

#

AMENDED CHICAGO MILK LICENSE CHANGES SALE AREA AND BASE

An amended license for the Chicago milk sales area designed to meet practical problems on that market has been approved by the Agricultural Adjustment Administration and signed by Secretary of Agriculture Wallace. It became effective December 2. The amended license provides the following changes:

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(1) Reduction of the sales area to more practical limits. (2) Use of a double or percentage base-rating plan in relation to actual sales of milk in Classes 1 and 2 by distributors. (3) Use of four classes of milk sold by distributors instead of three, with the requirement that distributors buy Class 2 milk for their cream requirements from producers with established bases up to an amount equal to 35 percent of their Class 1 or fluid milk usage, if such milk is tendered by producers. (4) Allotment and revision of bases for members of the Pure Milk Association to be reserved for the association itself, leaving the market administrator to handle bases for new producers and non-members of the association in an equitable manner, but with access to the records of the cooperative association provided. (5) New producers to receive base allotments on 80 percent of their production for the market, instead of being under probation at the Class 4 price for 90 days, as is often required under licenses. (6) Producers who have been delivering milk prior to 90 days before the effective date of the amended license, for whom bases have not been established, to be given bases by the market administrator equal to 90 percent of their average deliveries during the first three months, excepting May and June.

The prices which distributors are obligated to pay producers at country stations for 3.5 percent milk remain the same in the amended license for Class 1 milk, at \$2 per 100 pounds, and for Class 2 milk used for cream purposes at 3 1/2 times the wholesale price of 92 score Chicago butter, plus 10 cents per hundredweight. According to the amended license, Class 3 milk is that used by distributors for ice cream and ice cream mix, and the schedule defines the price at 3 1/2 times Chicago wholesale butter price per pound, plus 8 cents per hundredweight. Class 4 milk is an extra definition to take care of surplus outside the other classes, and is scheduled in the license at the Chicago butter quotation for the delivery period, plus 4 cents per hundredweight. No changes are made in the differentials to be paid or deducted on account of variations from the standard test.

The amended license alters the method of paying producers. Instead of being paid a blended price for all base milk, the producer will receive the Class 1 price for a percentage of his total base that represents the relation between all bases and the total Class 1 fluid sales, as reported in the pool to the market administrator. The blended price will be paid for the amount of milk a producer delivers above that bringing Class 1 price which does not exceed an additional percentage of his base representing the relation between the total bases and total Class 2 sales. In other words, the Class 1 or fluid milk sales are set apart to give each producer the straight Class 1 price at country stations for the percentage of his base related to such sales, instead of taking an average price for all classes sold above the surplus in excess of base.

The license provides that the market administrator shall periodically determine the percentage of total established bases so as to be in line with actual sales.

The advantage of this method of payment is to allow producers in the drought sections of the district to reduce their purchases of feed and hay or

to sell some of their herd, so that they can produce only Class 1 milk and thus receive the highest price on the market for a reduced quantity, without losing their base. It will also enable those who have enough feed to produce cream for the market, and to supply the full balance of their base out of Class 2 sales.

According to the amended license, the market administrator will allot bases for new producers and revise bases for producers who are not members of the Pure Milk Association, when necessary to make them equitable in relation to bases set by the association. The association will definitely have charge of the base allotment and base revision of its own members, while permitting the market administrator to examine their records and files.

There is no 90-day clause in the license to restrict payments to new producers to the Class 4 price while on probation, but it is provided that the market administrator will allot to each new producer a base equal to 80 percent of his total deliveries during the first three months he enters the market, and 80 percent of this three-month average thereafter. All old producers have been on approximately 90 percent of established bases. Producers without bases who have been on the market for 90 days before the amended license date will also have their bases adjusted to the 90 percent basis by the market administrator.

The amended license defines the sales area as inclusive of all of Cook county where Chicago is located, as well as Lake and Du Page counties, and parts of Kane, Kendall and Will counties. It is estimated that the cut in sales area reduces the territory from about 4,400 square miles to about 2,400 square miles. It eliminates Michigan City, Valparaiso and Crown Point, Indiana, and some other towns and villages formerly included, but leaves Joliet and a large area of the Fox River valley and Waukegan in the sales area.

Records for the nine months to November 1 in the Chicago sales area show that the average milk pooled under the license amounted to about 123,000,000 pounds monthly. Of this amount, from 61 percent to 65 percent has been utilized in Class 1 sales; from 15 percent to 21 percent in Class 2 sales; and from 16 percent to 20 percent in Class 3 sales.

#

\$106,000 REFUNDS FOR DETROIT MILK PRODUCERS

Through the field investigation section of the Agricultural Adjustment Administration in the Detroit, Mich., milk sales area, approximately \$106,000 has been collected from distributors in compliance with the old milk license. This amount is now available for refund to milk producers in the Detroit area. The distribution will be made only to those producers who have supplied milk to distributors who complied with the provisions of the milk license. Producers who have supplied milk to distributors who did not comply with the license will not participate in the distribution.

The amount collected is in the custody of the Detroit Dairy and Food Council and represents an excess over the amount required for equalization during the period of the old license, September 1, 1933, to April 1, 1934.

Payment to producers will be made on the basis of the quantity of milk individually delivered during the period. Accountants of the field investigation section are computing the amounts due to individual producers. Approximately 10,000 producers will be benefited. Efforts are being made to complete the distribution before Christmas.

#

DES MOINES MILK LICENSE IMPROVED BY AMENDMENTS

An amended license for the Des Moines, Iowa, milk sales area which changes the draft of the license to make it conform to the improved standard form, and changes the relations of producer-distributors to the market pool, has been approved by the Agricultural Adjustment Administration and signed today by Secretary of Agriculture Henry A. Wallace. It went into effect on December 5.

No changes were made in prices to producers and minimum resale prices or in the plan of marketing milk and equalizing the payments to producers based on the actual sales of milk by classes. The Class 1 price remains at \$2 per 100 pounds of 3.5 percent milk, f. o. b. the distributors' plants, and prices of Class 2 and 3 milk remain as before on the basis of 92 score Chicago butter at wholesale, plus differentials.

The original license provided an exemption for producer-distributors on an amount of milk equal to the average retail route sales daily, or about 400 pounds, which did not have to be computed in connection with the market pool. The amended license provides the new and improved standard requirement, which exempts the entire milk production of producers who distribute milk of their own production. When they make bulk sales of milk to other distributors, it must be accounted for at Class 3 prices to the pool, and the distributor who buys such milk is obliged to account to the pool for the difference between the Class 3 price, which was paid for the milk, and the producers' price of the milk in the class in which he sold it. Milk which any producer-distributor buys from other producers must be cleared through the pool and accounted for at the respective classified prices payable to producers in proportion to the amount of such milk which is sold in the different classes.

#

ACREAGE TO BE RENTED UNDER 1935 COTTON PROGRAM

The Agricultural Adjustment Administration has estimated that cotton producers signatory to adjustment contracts will rent 9,802,000 acres to the Secretary of Agriculture in connection with the 1935 cotton adjustment program, provided that a reduction of 25 percent from the base acreage of contract signers is secured next year.

The base acreage covered by the 1,004,000 two-year adjustment contracts which were signed early in 1934 is approximately 38,210,000 acres. These contracts, which already have been declared effective for 1935, brought about this year a 40 percent reduction in the base acreage of the contract signers. The 25 percent reduction for 1935 is the maximum that may be asked under the contract for 1935.

In addition to the contracts already in effect, new one-year contracts will be offered producers who did not sign the two-year contracts. It is estimated that under the offer of new contracts the base acreage will be increased by at least 1,000,000 acres. This would bring the total base acreage of all contract signers to 39,210,000 acres. Contract signers will have the option of reducing their base acreage as much as 30 percent, and will receive payment accordingly. The optional reduction of an additional 5 percent is to permit more latitude in the arrangement of farm plans of individual producers.

If a total of approximately 5,000,000 acres is planted by non-contract signers this would place the total planted cotton acreage in 1935 at approximately 34,400,000 acres. The planted acreage in 1934 was 28,000,000 acres.

Contract signers will be paid for their rented acres at the rate of 3 1/2 cents a pound on the average yield of lint cotton per acre for the years 1928-32 with a maximum rental of \$18 an acre. They also will receive a "parity payment" of 1 1/4 cents a pound on the farm allotment, which is the equivalent of 40 percent of the farmer's average production for the base period of the farm and represents that percentage of production which ordinarily moves into domestic consumption.

The following table shows approximately the payments to be made, and the acres withheld from production assuming a 25 percent reduction, in each of the cotton-producing states:

State	Estimated base acreage of contracting producers	Estimated acres to be rented	Payments to producers		
	1000 acres	1000 acres	Rental payments	Parity payments	Total payments
			Dollars	Dollars	Dollars
Missouri	388	97	\$ 989,400	\$ 566,480	\$ 555,880
Va.	63	16	154,560	86,940	241,500
N. C.	1,345	336	2,923,200	1,681,250	4,604,450
S. C.	1,929	482	3,610,180	2,064,030	5,674,210
Ga.	3,188	797	5,100,800	2,932,960	8,033,760
Fla.	114	28	142,800	83,220	226,020
Tenn.	1,039	260	1,950,000	1,111,730	3,061,730
Ala.	3,364	841	5,264,660	3,010,780	8,275,440
Miss.	3,988	997	6,580,200	3,768,660	10,348,860
Ark.	3,466	867	5,808,900	3,344,690	9,153,590
La.	1,925	481	3,222,700	1,848,000	5,070,700
Okla.	3,384	846	4,314,600	2,504,160	6,818,760
Texas	14,547	3,637	18,185,000	10,473,840	28,658,840
N. Mex.	121	30	378,000	217,800	595,800
Ariz.	161	40	488,000	280,140	768,140
Calif.	165	41	688,800	396,825	1,085,625
Others	23	6	36,600	20,125	56,725
U.S.	39,210	9,802	\$59,838,400	\$34,391,630	\$94,230,030

TO SEEK TWO-BALE BANKHEAD ACT EXEMPTION

Following a conference on December 4 with Senator J. H. Bankhead of Alabama, author of the Bankhead Cotton Control Act, the following statement was issued by Secretary of Agriculture Wallace:

"At the request of Senator Bankhead that certain points in connection with the Act be clarified before producers vote upon its continuance next December 14, announcement of the following is authorized:

"(1) The Agricultural Adjustment Administration will support an amendment to the Act at the coming session of Congress which will provide an exemption for the full amount of his base production to each producer who has an established base production of not more than two bales of cotton. This is requested by Senator Bankhead to remove any objection that the Bankhead Act, if effective for 1935, would cause a hardship upon those small producers who customarily produce two bales of cotton or less.

"(2) A decision will be expidited on specific plans to remove inequities in the bases of allotment to individual producers. These plans have been under consideration for some time and announcement of this decision will be made after conferences with field workers and representative cotton producers. The objective to be achieved by the development of new bases, upon which a county's total allotment would be apportioned among individual producers, will be to eliminate those inequalities which have been found in this year's experience.

"(3) The Agricultural Adjustment Administration has had under consideration in connection with all of its adjustment programs the development of an effective appeal system which would permit a producer protesting a decision of his county committee to obtain a hearing and decision as to the true facts upon which his adjustment contract should be based. We have assured Senator Bankhead that this mechanism will be in operation in ample time to provide hearing and final determination of such appeals as may develop in connection with the Bankhead Act allotments for 1935, in the event the Act becomes effective."

¶ ¶ ¶

BANKHEAD COTTON CERTIFICATE POOL REOPENED

Re-opening the surplus cotton tax-exemption certificate pool for 10 days, from December 6, 1934, to permit the surrender of only such surplus certificates as were received by producers from state allotment boards after November 28, 1934, has been announced today by the Agricultural Adjustment Administration.

The pool, formed to facilitate the transfer of cotton tax-exemption certificates under the Bankhead Act, was closed to the surrender of certificates on November 28. Since that date, some producers have received their final allotment of certificates. In order to be fair to these growers, the pool was ordered re-opened. The closing date for the surrender of certificates under the 10-day re-opening is December 15, 1934. Certificates may be purchased from the pool after that date, however, as this phase of its operations will be continued so long as warranted by demand.

Funds received from the sale of certificates at the standard rate of 4 cents a pound will be distributed, after the pool's operating expenses are deducted, among owners of surplus certificates who have surrendered them to the pool for sale. The distribution will be on the basis of approximately \$20 a bale for certificates sold. When the pool is closed, each producer will be returned his pro rate share of any certificates the pool does not sell. These may be exchanged by the producer for 1935 tax-exemption certificates in excess of his regular allotment of such certificates in the event the Bankhead Act is made effective for next year.

#

HIGHER BURLEY TOBACCO PRICES

Agricultural Adjustment Administration officials conferred last week with most of the domestic tobacco buyers concerning prices for this year's Burley tobacco crop. Burley markets at Lexington, Kentucky, opened Monday, December 3, and other markets on the following day. J. B. Hutson, Chief of the Tobacco Section, presided over the conference. He said that growers signing contracts would put into unmerchantable form any tobacco in excess of sales made under contracts and administrative rulings, and that the total sales by all Burley growers this season would not exceed 250,000,000 pounds.

"The demand stock situation has been fully reviewed," Mr. Hutson said. "Domestic consumption and exports are above those of last year. Old stocks of Burley in the hands of dealers and manufacturers are at record levels. However, in view of the fact that growers have taken steps to correct the stock situation, there is a general agreement that prices should be higher than those prevailing during other recent years when the quantity sold exceeded that contemplated for the current season. If market prices fail to reach the parity level, payments will be made to contracting growers next year from revenues obtained from processing taxes which will be such as will tend to give producers the fair exchange value for the part of the crop domestically consumed, which comprises more than 95 percent of it."

In the 1933 marketing season, domestic buyers signed a marketing agreement under which they agreed to purchase 262,000,000 pounds of Burley at an average price of not less than 12 cents a pound. The purchases of these buyers under this agreement amounted to 286,000,000 pounds. The average price paid by all contracting buyers was \$12.36 per 100 pounds. Each contracting buyer purchased a quantity larger than that specified in the agreement at a price above 12 cents a pound as provided in the agreement.

#

SALES OF TWO TOBACCO TYPES ABOVE INITIAL ALLOTMENTS PERMITTED

Under an administrative ruling announced by the Agricultural Adjustment Administration December 6, growers of fire-cured and dark air-cured tobacco who have signed production-adjustment contracts are permitted to sell tobacco

in addition to their initial production allotments, in amounts not exceeding 15 percent of their allotments, if they agree to a reduction in the rate of the second adjustment payment. Unless sold under this ruling, contract signers are required to render unmerchantable any tobacco produced in excess of their production allotment.

The second adjustment payment under the contract for fire-cured tobacco is at the rate of 7-1/2 percent of the net sale value of the producer's 1934 initial allotment; the second adjustment payment for dark air-cured tobacco is at the rate of 10 percent of the net sale value of the producer's 1934 initial allotment.

If a contracting producer wishes to sell up to 15 percent more than his initial fire-cured allotment, the rates of the second adjustment payment set by the ruling are:

FIRE-CURED TOBACCO			
Percentage by which weight marketed exceeds allotment		Percentage rate of second adjustment payment	
Percent		Percent	
Under	2.1	7	
2.1	to 5.0	6	
5.1	" 8.0	5	
8.1	" 11.0	4	
11.1	" 13.0	3	
13.1	" 15.0	2	

If a contracting producer wishes to sell up to 15 percent more than his initial dark air-cured allotment, the rates of the second adjustment payment under the ruling are:

DARK AIR-CURED TOBACCO			
Percentage by which weight marketed exceeds allotment		Percentage rate of second adjustment payment	
Percent		Percent	
Under	3.1	9	
3.1	to 6.0	8	
6.1	" 9.0	7	
9.1	" 11.0	6	
11.1	" 13.0	5	
13.1	" 15.0	4	

Contracting growers have been issued allotment cards by county agents on the basis of the initial allotment. However, field agents have been instructed to issue tax-payment warrants under the cards covering a quantity of tobacco not exceeding 15 percent in excess of the quantity shown on the allotment card.

The administrative ruling will make it possible to market certain export grades of fire-cured and dark air-cured tobacco that might not be marketed if growers were required to limit sales to their initial allotments.

Since producers whose 1934 production exceeded their allotments would probably hold their lowest grades off the market, it is believed that a shortage of some export grades might result.

The tobacco section of the Adjustment Administration points out that, under the ruling, it will be profitable for a contracting grower to sell as much as 11 percent in excess of his initial allotment of fire-cured or dark air-cured tobacco so long as he receives more than one-third as much, net, per pound for the excess as he received for each pound of the initial allotment. It will be profitable for him to sell an additional 4 percent, beyond the 11 percent, if he receives more than one-half as much, net, for each pound of the additional 4 percent as he received for each pound of the initial allotment.

Allotments to contracting growers indicate that they will sell not more than 95,000,000 pounds of fire-cured and not more than 22,500,000 pounds of dark air-cured tobacco, including excess sold under the ruling. These growers will receive non-transferable tax-payment warrants which will, in effect, exempt them from payment of the sales tax under the Kerr-Smith Tobacco Act.

Indications are that the sales of non-contracting growers will not exceed 20,000,000 pounds of fire-cured and 7,500,000 pounds of dark air-cured, of which it is estimated that 5,000,000 pounds of fire-cured and 1,500,000 pounds of dark air-cured will be covered by tax-payment warrants issued to non-contracting growers.

It is estimated that total sales of fire-cured will not exceed 115,000,000 pounds and total sales of dark air-cured will not exceed 30,000,000 pounds. The remainder of the 1934 crop of these types will be rendered unmerchantable by growers who signed contracts and whose production exceeded their allotments.

#

VOTING ON KERR-SMITH TOBACCO ACT EXTENDED TO DECEMBER 20

The Agricultural Adjustment Administration has announced that votes on the continuation of the Kerr-Smith Tobacco Act will be received as late as December 20. Previously, December 15 had been fixed as the final date on which votes would be received.

The five-day extension was made in order to allow more time for distribution of ballots and to make certain that all eligible persons have sufficient time in which to vote. The exact date for opening the referendum in each county is being specified by the county agent. Ballots for voting have been sent out to county agents' offices.

Persons who own, rent, share-crop or control land customarily engaged in the production of flue-cured, Burley, fire-cured and dark air-cured tobacco are eligible to vote. Persons who own, rent, share-crop or control three-fourths of the land for each type of tobacco must favor continuance of the Kerr-Smith Tobacco Act in order for it to be made effective for that type during the 1935 season.

#

NORTHEASTERN LIVE POULTRY CODE PROPOSED

The elimination of unfair trade practices which have detrimental effects on either producer, consumer or members of the trade are sought in a code of fair competition for the live poultry industry being sponsored by three associations of live poultry dealers and slaughterhousemen for three large market areas in the Northeastern States.

The proposed code on which Secretary of Agriculture Wallace called a public hearing held on December 7 in New York City, would include all of the live poultry industry in New Jersey, the metropolitan area of Philadelphia, and the metropolitan area of Boston and Providence. It is sponsored by the New Jersey Poultry Dealers' Association, the Retail Live Poultry Dealers' Protective Association of Philadelphia, and the Greater Boston Live Poultry Slaughterhousemen's Association.

All persons engaged in the business of selling, purchasing for resale, handling or slaughtering live poultry, to the time the poultry is first sold in slaughtered form, and such related branches of the industry as may later be included by amendment to the code, would come under the code. Persons solely engaged in the transportation of live poultry would be exempt from the code provisions. Estimates made by the trade indicate that around 850 firms would be subject to the code provisions.

Containing provisions aimed at the correction of unfair trade practices and racketeering similar to those in the live poultry code now in effect for the metropolitan area of New York, this regional code would include an industry which annually handles in excess of 75,000,000 pounds of live poultry with a wholesale value of more than \$13,000,000. The New York live poultry code includes an industry which handles in excess of 190,000,000 pounds of live poultry valued at about \$30,000,000.

In addition to trade practices provisions, which would be under the jurisdiction of the Agricultural Adjustment Administration, the proposed code contains provisions governing conditions of labor, hours and wages which would be under the jurisdiction of the National Recovery Administration.

A regional code authority of six members would assist in the administration of the code, and would carry on studies concerning inspection, cost of handling poultry, grades and terminology, and the methods to improve the basis for daily market price schedules of live and slaughtered poultry. Local code authorities would handle administrative and supervisory problems in the three market areas.

The code lists 23 trade practices that "shall be deemed to be and shall constitute unfair methods of competition on the part of members of the industry and are hereby prohibited."

Thought to promise equally beneficial effects upon poultry producers, consumers and dealers, are provisions which outlaw racketeering, bar the sale or resale to any person not legally licensed by local authorities to conduct a business of handling the produce in the industry, and eliminate the sale of poultry on per head basis instead of by weight.

REPORT

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THE REPORT OF THE

COMMISSIONER OF THE

LAND OFFICE OF THE

STATE OF ALABAMA

FOR THE YEAR 1917

ALBANY, N. Y.

1918

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STATE OF ALABAMA

The anti-racketeering provision lists as code violations any act of violence, coercion, threat, conspiracy, or any similar act. The payment of money or any other valuable consideration to any person or group as a result of or in connection with any of these acts, and payments for obtaining favors or special privilege or exemption from any provision of the code, or any governmental law, ruling or regulation, or any rule, regulation or policy of a labor union, are regarded as code violations. Any act intended to coerce any individual or firm in the industry to join or not to join any association or group, is banned. Those engaged in the industry would be required to report any such efforts and failure to make such a report or furnish information would be considered a violation of the code.

To protect poultry producers or shippers against monopolistic combinations and unscrupulous practices, and to assure honest and fair returns for poultry sold, the code would bar price discrimination, improper weighing, delays in unloading, price misrepresentations, and unlawful combinations which would apportion territory for carrying on business, apportion purchases or sales, allocate customers, or manipulate or control prices.

Consumers would be protected by the code through the elimination of false advertising, prohibition of the purchase or sale of poultry for human consumption that is unfit for that purpose, prohibition of misrepresentation, improper weighing, excessive feeding; and by the requirement that all live poultry sold shall be inspected in accordance with legal requirements of the particular area.

As a means of protecting the legitimate live poultry dealer from unscrupulous practices, and to provide for a sounder and more economical marketing system, the code bars secret rebates, commercial bribery, interference with contractual relations, defamation, destructive price cutting, price discrimination, the giving of prizes or other gifts in connection with the sale of poultry, delays in unloading, the giving of free services, and the inducement of employees of competitors. The code would prohibit any method of slaughtering other than "straight killing" or killing on the basis of official grade. Under the proposed code, purchasers may, however, make selection of a half-coop, coop, or coops, but shall not have the right to make any selection of particular birds.

The code would require members of the industry to keep such books or records as will clearly reflect all financial transactions and the financial condition of their businesses. Individual records and reports made available to the Secretary of Agriculture would be kept confidential.

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WAGES IN NEBRASKA SUGAR BEET LABOR DISPUTE ANNOUNCED

A determination of the minimum wages to be paid to workers in the production of the 1934 sugar beet crop in the North Platte Valley in Nebraska has been made by Secretary Wallace, following an agreement by disputing grower

and labor organizations that they would abide by the decision of the Secretary of Agriculture.

Agreement to abide by the decision of the Secretary in regard to 1934 wages was reached at a conference at Scottsbluff, Nebraska, October 16. John E. Dalton, chief of the sugar section of the Agricultural Adjustment Administration, representatives of the Nebraska Non-stock Cooperative Beet Growers' Association, and representatives of the Beet Laborers' Association of the North Platte Valley participated in the conference. Representatives of the Beet Growers' Association at the conference were B. J. Seger and H. R. Lippincott, and representatives of the Laborers' Association were Joseph Payne and Alex Dermer.

At that time a strike was impending in the harvesting of beets, and the agreement was reached in order to avert the strike. Considerable misunderstanding regarding the policy to be followed by the Secretary under the labor clauses of the Jones-Costigan amendment was found to exist in the valley. Some growers had not entered into the usual written labor contracts, and, in consequence, payments to laborers were being delayed. In a letter notifying the disputing parties of his decision, the Secretary said:

"The Secretary of Agriculture has decided that, under the special circumstances surrounding the beet labor problem of the North Platte Valley in Nebraska in the year 1934, the wages for beet labor with respect to the production, cultivation, and/or harvesting of the 1934 sugar beet crop should not be less than the following: blocking and thinning, \$6 an acre; first hoeing, \$1.50 an acre; second hoeing, \$1 an acre; and pulling and topping, 60 cents a ton.

"The wages above indicated will constitute the minimum wages due under Section 10 (b) of the sugar beet production adjustment contract entered into or to be entered into by beet growers in the North Platte Valley district of Nebraska and the Secretary of Agriculture."

Under the terms of the adjustment contract, final 1934 benefit payments may be withheld until wages due for the 1934 beet crop have been paid. In notifying representatives of his decision, Secretary Wallace pointed out that in view of the circumstances affecting labor conditions in the North Platte Valley, one of which was the extreme drought condition, and the fact that the adjudication was made by voluntary agreement, his decision was not be a precedent for any decision which he may make pursuant to the labor clauses of the sugar beet production adjustment contract.

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AAA ANNOUNCEMENT ON BONDED FOREIGN SUGARS

Cuban and other foreign sugars remaining in bonded warehouses in the United States on December 31, 1934, cannot be certified as being charged against the 1934 import quotas until after that date. Total certifications will then be limited by the amount of the quotas remaining unfilled on that

date, the Agricultural Adjustment Administration has announced.

Since the Adjustment Administration announced on November 16 that such sugars could be counted against the 1934 quotas, many holders of Cuban sugars have requested immediate certification of their holdings.

Although the amount to be counted against the 1934 quota cannot be determined until after the end of the year, requests for such action by holders of sugar should be made to the Sugar Section, Agricultural Adjustment Administration. After December 31, the remainder of the quota, if any, will be granted to those holders of Cuban sugar who, in writing, request of the Administration that such sugars be counted as 1934 Cuban quota sugar. Such requests should include pertinent information giving the quantity of sugar in pounds, the approximate polarization, name of steamer, date of arrival, name and location of warehouse where sugar is stored, and country of origin.

If the total amount of sugar requested to be charged against the remainder of the quota is larger than the amount of the unfilled quota available, it is contemplated that the available amount will be prorated among those making requests satisfactory in form and content.

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HEARING ON CALIFORNIA RICE AGREEMENT CHANGES

Notice of a public hearing, held in San Francisco, California, on December 6, on proposed amendments to the marketing agreement for the California rice industry, was signed December 3 by Secretary Wallace. The proposed amendments apply to Section 2 & 4 of Article V, and Section 1, of Article VI, of the agreement, and, in effect, would change regulations regarding the base prices and producers prices for over-quota rice. Whereas in the existing provisions, the base price may vary by 5 percent from the price established by the Secretary under the agreement, the amendment would permit the base price on over-quota rice to be set at from 10 to 100 percent of the Secretary's price. Also, the purchase price paid producers for over-quota rice would be set at levels determined by the marketing board, subject to the approval of the Secretary, whereas under the existing provisions the producers price can vary only 3 percent from the base price.

Over-quota rice purchased under the conditions that would be established by the amendments would have to be entirely disposed of for uses specified in the amendment, at prices satisfactory to the Secretary.

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TERMINAL ELEVATOR CODE ORDER EFFECTIVE DECEMBER 24

The effective date of the order placing the terminal grain elevator industry under a code of fair competition by designating the industry as a sub-division under the code for the grain exchanges has been advanced from

December 10 to December 24, the Agricultural Adjustment Administration has announced. The advancement of the effective date was made necessary following slight technical changes in the form of the order, which has been approved by the National Recovery Administration and signed by Secretary Wallace. Objections to the order may be filed up to December 24.

#

PLAN UNDER WAY TO CONTROL BANG'S DISEASE

The plan now under way in cooperation with the livestock sanitary officials of practically all of the States to control Bang's disease (infectious abortion in cattle), is made possible by funds provided under the La Follette amendment to the Jones-Connally Bill.

Farm journal editors, county agents and others can assist in the Bang's disease control plan by disseminating to cattle owners proper information on the operation of the plan. Some points vary to some extent in different States. In each State the project is directed by the Federal inspector in charge of tuberculosis eradication, and the Bureau of Animal Industry is cooperating with the State livestock sanitary authorities of each respective State. All matters pertaining to signing of agreements should be taken up with either the State livestock sanitary official or the local cooperating Federal official in charge.

C. W. Warburton, director of the Extension Service, points out that owners who desire to eliminate from their herds cattle reacting to the agglutination blood test for Bang's disease, in accordance with the regulations governing this project, B. A. I. Order 347, are required to sign an agreement to this effect. Agreement forms, B. A. I. Form T. E. 33, are supplied by the Federal Bureau of Animal Industry through local inspectors in charge, or the State livestock sanitary officials cooperating in this project. The signing of these agreements by herd-owners is entirely voluntary; however, after entering into this agreement, owners are expected to abide by the conditions contained therein. It is therefore important that cattle owners should fully understand the conditions of the agreement before signing.

An important condition of the agreement is that all reactors to the blood test for Bang's disease found in the owner's herd must be branded and marketed for slaughter in accordance with such directions as are issued by the authorities in charge. All reacting cattle are to be marketed within 30 days after appraisal, with the possible exception of some meritorious cases where an extension of time may be granted.

It is the intention of the Federal Bureau of Animal Industry at present to apply an initial test and one re-test to herds, including suspects of first test, of cooperating owners, and a re-test will be applied to suspects found on the second test. Herd owners will be compensated in accordance with the provisions of B. A. I. Order 347 for cattle eliminated as a result of the tests. The maximum Federal payment for purebred cattle is \$50, and for grades \$20.

The owner is entitled to all the salvage obtained in marketing the cattle, but the total payment and salvage cannot exceed the appraised value. If a grade animal was appraised at \$50 and the salvage was \$20, the owner would be entitled to a Federal payment of \$30, but in case an animal was appraised at \$35 and the net salvage was \$16, the owner would receive a Federal payment of \$19.

Paragraph (b) of section 1 of the owner's agreement, T. E. Form 33, relates to the addition of cattle to herds from which reactors to the blood test for Bang's disease have been eliminated. These provisions should be studied and observed as far as possible in order to bring about satisfactory results in the future handling of the herd.

The agreement provides that the owner shall continue the blood testing of the animals in his herd in accordance with the accredited Bang's disease herd plan of his State, if and when his State adopts such a plan. At present, such plans are in effect in a number of States.

The owner further agrees that he will not sell or assign, in whole or in part, his agreement, and this refers especially to the Federal payment in cases where herds are mortgaged. The owner of the mortgaged herd, of course, has no right to dispose of any of the said animals without the knowledge and consent of the person holding the mortgage. Consequently, in cases of this kind, the owner should be fully authorized by the mortgagee to dispose of any cattle that may react to the test, with the understanding that Federal payment must be made to such owner and not the mortgagee.

Paragraph (e) of section 1 of the agreement is intended to apply only to rules and regulations concerning Bang's disease in cattle. Before entering into the agreement to eliminate from their herds cattle that may react to the agglutination test for Bang's disease, owners should be fully advised concerning the situation that will confront them if they are required to dispose of a large portion of their herds, especially the reduction in income from dairy products unless satisfactory replacements are promptly made. It is important also that all owners who participate in the Bang's disease project should be fully informed that it is necessary, in order to obtain the best results, to follow carefully all instructions regarding the sanitary care of their herds.

In some states the demand for Bang's disease work is widespread. There may be more calls for the testing service than can be given attention with the present facilities for handling the work.

Most States have literature for distribution covering the subject of Bang's disease, which should be of value from an educational standpoint. The Federal Government has available Farmers' Bulletin 1704, on Bang's disease, which contains important information regarding the handling of herds to prevent the spread of this disease.

It is estimated that, in the country as a whole, about 15 percent of the cattle population is infected with Bang's disease. To November 1, 1934, a total of 232,185 cattle had been tested for Bang's disease and 33,368 reacted.

About 14 percent of the cattle tested reacted. More than 20,000 haad have been tested in each of the States of Virginia, Ohio, Minnesota and Wisconsin. Applications for testing 890,000 head for Bang's disease have been made by their owners in these and other States, according to a recent announcement made by the Agricultural Adjustment Administration.

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AVERAGE PRICES RECEIVED BY FARMERS

The Crop Reporting Board of the United States Department of Agriculture makes the following estimates and comparisons of average prices received by farmers November 15, 1934, at local markets, based on averages of reports from 11,597 correspondents. Reports are weighted according to the relative importance of price-reporting districts and States in computing United States averages:

Commdodity	:5-yr. Av.: Nov. ; : : : :						
	:Aug. 1909: Av. : Nov. : Sept. : Oct. : Nov.						
	: to : 1910 to: 15 : 15 : 15 : 15						
	:July 1914: 1914 : 1933 : 1934 : 1934 : 1934						
<u>FARM PRICES:</u>							
Cotton, per lb.	¢:	12.4	10.7	9.6	13.1	12.5	12.3
Corn, per bu.	¢:	64.2	60.9	40.6	77.4	76.7	75.7
Oats, per bu.	¢:	39.9	38.8	31.4	50.3	50.5	51.1
Barley, per bu.	¢:	61.9	60.4	41.6	78.2	75.5	75.9
Wheat, per bu.	¢:	88.4	87.0	71.1	92.2	88.5	88.1
Rye, per bu.	¢:	72.0	73.8	55.4	79.1	75.0	71.9
Flaxseed, per bu.	¢:	169.1	158.5	155.1	175.2	167.1	161.7
Hay, per ton	¢:	11.87	12.00	7.69	13.03	13.40	13.58
Potatoes, per bu.	¢:	69.7	60.4	68.8	62.8	49.0	45.9
Apples, per bu.	¢:	96.1	75.5	73.1	82.2	84.4	89.3
Cottonseed, per ton	\$:	22.01	19.42	13.67	31.54	35.62	37.08
Hogs, per 100 lbs.	\$:	7.22	6.97	3.70	6.04	5.20	5.04
Beef cattle, per 100 lbs.	\$:	5.21	5.21	3.32	4.21	3.96	3.81
Veal calves, per 100 lbs.	\$:	6.75	6.95	4.66	5.23	5.19	4.97
Lambs, per 100 lbs.	\$:	5.87	5.47	4.95	4.86	4.81	4.84
Sheep, per 100 lbs.	\$:	4.53	4.26	2.38	2.45	2.52	2.55
Eggs, per dozen	¢:	21.5	28.1	24.0	21.9	23.7	28.6
Butter, per lb.	¢:	25.5	27.5	21.8	24.5	24.6	25.9
Butterfat, per lb.	¢:	26.3	28.6	20.4	24.0	24.3	27.2
Whole milk (wholesale)							
per 100 lbs.	\$:	1.79	1.85	1.51	1.51	1.59 ^{2/}	1.65
Whole milk (retail) per qt. ^{1/}	¢:	6.8	7.0	9.2	9.6	9.6	9.6
Wool, per lb.	¢:	17.6	17.2	23.8	19.5	19.3	19.2
Milk cows, each	\$:	48.00	50.00	32.00	33.00	33.00	33.00
Horses, each	\$:	142.00	137.00	69.00	79.00	78.00	79.00
Mules, each	\$:	-	-	81.00	94.00	96.00	98.00
Chickens, live, per lb.	¢:	11.4	10.9	8.8	12.7	11.8	11.7

^{1/} Retailed by farmers directly to consumers. ^{2/} Revised.

In its review of farm prices on November 15, the Bureau of Agricultural Economics says that the general level of farm prices in mid-November was the same as that of a month earlier, the index remaining at 102. Seasonal increases in prices received for apples, dairy and poultry products, and slight upturns in prices of oats, barley, hay, cottonseed, sheep, lambs and horses, offset declines recorded for other products. Changes in the price indexes, by groups of commodities, were as follows: Fruits, down 4 points; truck crops, down 3; meat animals, down 2; grains, unchanged; cotton and cottonseed, unchanged; dairy products, up 6; chickens and eggs, up 17. Compared with a year earlier, the general index for November 15 was up 22 points and all groups were higher except truck crops.

The ratio of prices received by farmers to prices paid remained unchanged at 81 percent of pre-war from October 15 to November 15, and was 12 points higher than that recorded in November last year.

Hog prices continued their seasonal decline through October and into early November, as marketings of the 1934 spring pig crop increased. The price reduction from October 15 amounted to only 16 cents per 100 pounds, however, as compared with a normal seasonal decline of 54 cents. The average farm price of hogs for the country as a whole in mid-November was \$5.04, exclusive of the processing tax. A year earlier it was \$3.70. Farm prices of cattle and calves also declined moderately in line with their usual seasonal trends, but those of sheep and lambs increased slightly.

The following tabulation is of average farm prices of livestock, feed grains and hay, with comparisons. It will be noted that, in the first and last columns, the differences between actual farm prices on November 15, 1934, and parity farm prices on that date are considerable, only two of the listed commodities having equaled or exceeded parity. These figures are estimates by the Crop Reporting Board:

Commodity						
	: Nov. :	Oct. :	Sept.:	Nov. :	Nov. :	Parity farm
	: 15 :	: 15 :	: 15 :	: 15 :	: 15 :	prices
	: 1934 :	: 1934 :	: 1934 :	: 1933 :	: 1910-14:	Nov. 15, 1934
FARM PRICES:						
Hogs ^{1/} per 100 lbs. dollars	5.04	5.20	6.04	3.70	6.97	9.10
Beef cattle "	5.81	3.96	4.21	3.32	5.21	6.56
Veal calves "	4.97	5.19	5.23	4.66	6.95	8.50
Lambs "	4.84	4.81	4.86	4.95	5.47	7.40
Sheep "	2.55	2.52	2.45	2.38	4.26	5.71
Wool per pound cents	19.2	19.5	19.5	23.8	17.2	22.2
Milk cows per head dollars	33.00	33.00	33.00	32.00	50.00	-
Horses "	79.00	78.00	79.00	69.00	137.00	179.00
Mules "	98.00	96.00	94.00	81.00	-	-
Corn per bu. cents	75.7	76.7	77.4	40.6	60.9	80.9
Oats "	51.1	50.5	50.3	31.4	38.8	50.3
Barley "	75.9	75.5	78.2	41.6	60.4	78.0
Hay per ton dollars	13.58	13.40	13.03	7.69	12.00	14.96
Cottonseed "	37.08	35.62	31.54	13.67	19.42	27.73

^{1/} Excluding processing tax.

SHEEP AND GOATS BOUGHT IN DROUGHT AREAS

Through December 1 the Government's emergency drought relief purchases of ewes in drought areas (19 States) had totaled 3,561,171 head, and goat purchases 312,327 does.

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